X variables for Soybeans Futures Prices

Supply and Demand Factors:

* Soybeans STU
* Corn STU
* Global Production (?)

Macroeconomic Factors:

* PPI
* PPI Commodity Data
* PPI Farm Products, Oilseeds, Soybeans
* GDP (?)
* Gold Prices (?)
* Dollar Strength (DX)
* Dollar – Real Exchange Rate
* Crude Oil Prices

Others:

* Commitment of Traders Report- Managed Money Positions
* Measured Price Volatility (?)
* PPI Industry Data (Cost of Freight and Storage)

Supply-Side Factors: Yield (affected by Weather), Import, Storage,

Demand-Side Factors: Domestic Demand, Export, Substitution

Economic Factors: Dollar Strength, Global Economic Strength, Trade-Policies(Tariff)

Seasonal Trends: Season Demand, Planting/Harvesting Season

Others: Transportation, Logistics, Technological Advancement

**Supply-Side Factors**

1. **Acreage Planted and Harvested**:
   * The total area of land used for soybean cultivation. More acreage generally leads to higher production, potentially lowering prices if demand does not increase proportionally.
2. **Yield per Acre**:
   * The amount of soybeans produced per acre. Higher yields can increase supply, which may lower prices, assuming constant demand.
3. **Weather Conditions**:
   * Weather patterns such as rainfall, temperature, and extreme events (droughts, floods). Favorable weather increases yields, while adverse weather can reduce supply and increase prices.
4. **Pest and Disease Incidence**:
   * The prevalence of pests and diseases affecting soybean crops. Higher incidences can reduce yields and supply, driving prices up.
5. **Agricultural Practices and Technology**:
   * Advances in farming techniques and biotechnology (e.g., GMOs). Improved practices can enhance yields and efficiency, potentially increasing supply and reducing prices.

**Demand-Side Factors**

1. **Global Demand for Soybeans**:
   * Overall consumption trends in major importing countries (e.g., China). Higher demand from key markets can drive up prices.
2. **Soybean Crush Margin**:
   * The profitability of crushing soybeans into oil and meal. Higher crush margins can increase demand for raw soybeans, pushing prices up.
3. **Substitute Crops**:
   * Prices of alternative crops like corn or wheat. If the prices of these substitutes rise, farmers may switch to planting soybeans, affecting supply and prices.

**External Economic Factors**

1. **Currency Exchange Rates**:
   * The value of the U.S. dollar relative to other currencies. A weaker dollar makes U.S. soybeans cheaper for foreign buyers, boosting demand and prices.
2. **Trade Policies and Tariffs**:
   * Import/export tariffs and trade agreements. Favorable trade conditions can increase demand, while tariffs can reduce it, affecting prices accordingly.
3. **Global Economic Conditions**:
   * Economic health of major economies. Strong economies boost demand for soybeans and related products, while recessions can reduce demand and prices.

**Market Factors**

1. **Futures Market Speculation**:
   * Activity by traders and speculators in the futures market. High speculative activity can lead to increased volatility and influence short-term price movements.
2. **Stock-to-Use Ratio**:
   * The ratio of ending stocks to total use. Lower stock-to-use ratios indicate tighter supplies and can lead to higher prices.
3. **Inventory Levels**:
   * Current and projected inventory levels. High inventory can depress prices, while low inventory can drive them up.
4. **Transportation and Logistics Costs**:
   * Costs associated with shipping and handling soybeans. Higher logistics costs can reduce effective supply and increase prices.

**Seasonal Factors**

1. **Planting and Harvesting Seasons**:
   * Prices often fluctuate based on the agricultural calendar, with planting and harvesting times affecting supply expectations and prices.
2. **Seasonal Demand Patterns**:
   * Demand variations based on seasons, such as increased demand for soymeal during livestock feeding seasons.

**Government and Policy Factors**

1. **Agricultural Subsidies and Support Programs**:
   * Government policies supporting soybean farmers. Subsidies can stabilize supply and potentially lower prices by ensuring consistent production levels.
2. **Environmental Regulations**:
   * Policies related to environmental protection that impact agricultural practices. Stricter regulations can increase production costs and reduce supply, driving prices up.

**Technological and Innovation Factors**

1. **Genetic Modifications and Crop Improvements**:
   * Advances in soybean genetics and crop protection. Improved varieties can increase yields and resistance to pests and diseases, influencing supply and prices.
2. **Precision Agriculture**:
   * Use of data-driven farming techniques to optimize production. This can lead to more efficient and higher yields, potentially affecting supply and prices.